

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7363

BILL NUMBER: HB 1293

NOTE PREPARED: Feb 19, 2004

BILL AMENDED: Feb 2, 2004

SUBJECT: Utilities.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR: Sen. Merritt

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows a municipally owned water utility to adjust a residential water bill if: (1) the bill reflects monthly water usage that is at least two times the customer's average monthly usage; and (2) the excess usage is caused by equipment damage that is not detectable on the premises and not caused by an act of the customer or customer's agent. It provides that a utility that elects to adjust water bills for undetectable leaks must do so according to policies adopted by the utility.

The bill also permits a regional water, sewage, or solid waste district to issue revenue bonds that accrete interest.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Municipally-owned water utilities are subject to the bill's provisions. The bill is not expected to have a significant impact on these utilities' revenues or expenditures.

The bill also expands the type of bonds regional water, sewage, or solid waste districts may issue to include bonds that accrete interest (e.g., zero coupon bonds). The type of revenue bonds issued by a district would be determined by the district's board. Under current law, regional water, sewage, and solid waste districts may only issue revenue bonds that are payable on an interval of one year or less.

State Agencies Affected:

Local Agencies Affected: Regional water, sewage, and solid waste districts; Municipally-owned water utilities.

Information Sources:

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